

VZCZCXRO1596
RR RUEHBZ RUEH DU RUEHMR RUEHRN
DE RUEHSB #0997/01 3550926
ZNY CCCCC ZZH
R 210926Z DEC 09
FM AMEMBASSY HARARE
TO RUEHC/SECSTATE WASHDC 5254
INFO RUCNSAD/SOUTHERN AF DEVELOPMENT COMMUNITY COLLECTIVE
RUEHAR/AMEMBASSY ACCRA 3226
RUEHDS/AMEMBASSY ADDIS ABABA 3337
RUEHBJ/AMEMBASSY BEIJING 0110
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C O N F I D E N T I A L SECTION 01 OF 02 HARARE 000997

SIPDIS

AF/S FOR BRIAN WALCH
NSC FOR SENIOR AFRICA DIRECTOR MICHELLE GAVIN

E.O. 12958: DECL: 12/21/2019
TAGS: [PREL](#) [PGOV](#) [CH](#) [ZI](#)
SUBJECT: AMBASSADOR RAY'S COURTESY CALL WITH CHINESE
AMBASSADOR TO ZIM

Classified By: AMBASSADOR CHARLES A. RAY FOR REASONS 1.4 B,D

¶1. (SBU) SUMMARY: Zimbabwe badly needs FDI, but the government must also implement the "correct" policies to attract investors. Chinese companies currently experience problems doing business with the GOZ, because of lack of coordination among and between ministries. PRC policy is to deal with the government, treating all parties equally, while the Chinese Communist Party will maintain its relationship with ZANU-PF. Attitudes here about land ownership have blocked a proposed PRC agricultural demonstration project. China would like to see better cooperation between ZANU-PF and the MDC factions, as this is the only way to get things done. South Africa is an important player, but so is the U.S., and it would be better if all countries working here coordinated better. END SUMMARY.

¶2. (SBU) At a December 18 meeting at the PRC embassy, Ambassador Xin Shunkang outlined in limited detail, the policies and priorities of the PRC in Zimbabwe. Xin's English is limited, but he managed to do most of the meeting without referring to his interpreter. The main issue for China in Zimbabwe is economic stability and development. In order to develop, this country needs FDI, but in order to attract investors, it must have the "correct" policies. Currently, he said, it does not. When Zimbabwe was ruled by one party, Xin said, Chinese companies found it easy to do business here. Now, they face difficulties because often an agreement made with one ministry will be countermanded by another.

¶3. (C) ZANU-PF and MDC must learn to get along, Xin said, and as the more experienced member of the partnership, ZANU-PF has the greater responsibility. When two parties fight, he said, nothing gets done. Beijing's policy toward Zimbabwe is to deal with the government, treating each equally. At the same time, the Chinese Communist Party maintains its relationship with ZANU-PF and sent a delegation to attend the recent ZANU party congress. Despite the outward signs of a close friendship, he said, there are some tensions in the Zimbabwe-PRC relationship. China has, for instance, proposed an agricultural demonstration project to teach improved farming, but it has been blocked because of the Zimbabwean hang up over land ownership. He said that China understands the importance of land to Zimbabweans, and

that redistribution of the land since independence was necessary. But, ownership is meaningless if the land is not utilized properly, he said.

¶4. (C) South Africa is an important player in Zimbabwe, Xin offered, but so is the United States. He believes that, in fact, South Africa and the U.S. are even more important than the European countries, the one because of its nearness and the other because of its power. (COMMENT: Interesting that he would not be drawn out on his view of the importance of China. END COMMENT.) All countries here, however, need to cooperate better so that there is no duplication, and there can be greater progress. In response to my question on whether he would be willing to meet on occasion with Western donors to discuss priorities and projects, Xin said he would, and that he would hope that after the first of the year something could be arranged. (COMMENT: In the past, China has been reluctant to participate in meetings with Western donors, so it will be interesting to see if Xin's words translate into action. He proposes donor cooperation, but his example was somewhat unrealistic. His idea of donors each funding a section of the road to the airport will go over with the EU donors like a lead balloon. If, however, they can agree to all listen respectfully to each other, there is hope for progress. END COMMENT.)

¶5. (C) COMMENT: As this was my first meeting with the Chinese here, I stayed away from sensitive topics such as security sector reform. Despite the tensions between China and Zimbabwe that Xin described, they, along with the South Africans, remain the parties here with the most potential of being able to influence ZANU-PF, and we will continue to

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engage them. END COMMENT.
RAY